

GENERAL SERVICES DIVISION

UPDATE UPDATE

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The quarterly newsletter of the General Services Division

Montana Department of Administration • Website address: <http://www.discoveringmontana.com/doa/gsd>

Fall 2003

PROCUREMENT NEWS AND NOTES

One-Stop Solicitation Website. Montana's latest e-government application, the "One-Stop" Solicitation website is complete. All state agencies are required to post any formal solicitations for supplies or services to the site making it possible for the business community to look in one location for business opportunities within Montana state government. Solicitations can be viewed all at once, or by subject area or by issuing agency. In addition, links are provided to state building, highway, or FWP construction projects. Check it out at:

<http://discoveringmontana.com/doa/GSD/osbs/Default.asp>.

Delegation Agreements. Nearly all 2003-2005 Agency Procurement Delegation Agreements are finalized. If you have not seen a copy of the agreement for your agency, just call the State Procurement Bureau at 444-2575 to request a copy. Most of the changes in the 2003-2005 agreements were made for clarification purposes and do not reflect any substantive new requirements or changes. One specific training requirement was added for all procurement officials to attend a half day "Purchasing Update" class being offered through the Professional Development Center (PDC) beginning in mid-January 2004. See related article.

"Guardians of the Public Trust." Five small words, one big meaning. This phrase is attached to the signature of the Purchasing Department of the Montana State University – Bozeman and captures the essence of everything every procurement decision and conversation should be about. All procurement rules, laws, processes, forms, and policies aside, in the end, it all boils down to this.

Great Moving Rates. The State of Montana has signed an agreement with Mergenthaler's Transfer and Storage/United Van Lines, for discounts of up to 62% off normal rates to move new out-of-state employees to Montana and free valuation of goods up to \$75,000. For more information contact your agency Human Resource office or call Lee Graham or Nikki Gleason at Mergenthalers at 442-9470 or 1-800-826-5463.

Featured PUG Speaker. The Fall 2003 PUG meeting, on Thursday, November 6, 2003, will feature Helena attorney John Sullivan speaking on the topic of "Do's and Don'ts for State Procurement and State Contracts: Avoiding Problems Before They Occur." Mr. Sullivan has practiced law in Montana since 1973 and specializes in the areas of Employment Law, Health Care, Design Professional Defense, Civil Litigation, Mediation and Arbitration. The Montana State Bar has approved the presentation for 1.5 Continuing Legal Education (CLE) credits. Please alert your legal staff and encourage them to attend.

20th Anniversary. Imagine only being able to purchase supplies or services based on low bid and never being able to use the Request for Proposal process. Or for that matter, imagine having to bid out every single item the State needs regardless of dollar amount, or never running a contract longer than three years. That is what state purchasing was like prior to the adoption of the Montana Procurement Act in 1983. Twenty years ago, the Montana Legislature took the step of adopting the Model Procurement Code that was drafted by the American Bar Association in the late 1970's. This important decision dramatically changed how the State was conducting the purchase of supplies and services and brought

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order and consistency to the procurement process. The Model Procurement Code has been adopted in full by 16 states, and in part, by several more. It has had a "profound and favorable impact on the conduct of public procurement throughout the United States."

Public Notice Law and Evaluation Committee Meetings. Since the passage of House Bill 94 by the 2003 Legislature, the State Procurement Bureau has struggled with how to balance the requirements of public participation in agency decisions in the context of the public meetings held for RFP evaluation.

However, since section 18-4-304, MCA, states that contract award can only be based on an evaluation of stated evaluation criteria, the SPB position is not to accept public comment at an RFP evaluation committee meeting regarding anything relating to the award of the contract. Public comments regarding procurement matters in general may be presented to presiding procurement officer.

As we receive further direction on this issue from the Governor's Office on the implications of the changes in law, we'll keep you informed.

RFP Template/IT RFP Template. In March of this year, the State Procurement Bureau issued a revised RFP template. Since that time, and in collaboration with the Information Technology Services Division of the Department of Administration, we put together an RFP template specifically for use with IT projects. This process was helpful in that we found areas to simplify and revise the regular RFP template. By the time this newsletter is issued, we expect to have a new IT RFP template issued along with a revised RFP template. Both documents will be available on the GSD website at the following address:

<http://discoveringmontana.com/doa/gsd/css/Resources/RFPProcess.asp>.

Jim Nelson Retires! Jim Nelson, long time Purchasing and Supply Supervisor for the Central Stores Program, retired recently to pursue his private construction interests. Brenda Job, the Property and Supply Bureau Accountant Supervisor, has taken over Jim's

duties. We wish Jim well on his retirement. If you have questions concerning the Central Stores Program, please contact Brenda at 495-6004 or Tom Hastings at 495-6014.

Need Procurement Training? We've Got It!

Penny Moon, SPB Contracts Officer, will again be offering procurement training over the next few months. Following is a list of classes scheduled:

**Basic Purchasing - October 9, 2003,
April 29, 2004**

This class covers procurement ethics, resources, levels of authority and delegation. It also covers the procurement tools used for small purchases, limited solicitation, sole source and sole brand, and term contracts.

**Advanced Purchasing - October 16, 2003,
May 6, 2004**

This class covers building, writing, opening and awarding Requests for Proposals, Invitations for Bids, and Requests for Information. It focuses on advanced procurement issues such as leasing versus buying, public access, protests, grants, and ethics.

**Initiating and Navigating the RFP Process -
October 23, 2003**

An in-depth, step-by-step look at the RFP document, process, and some do's and don'ts. It will also include some exercises on writing the scope of work and evaluation criteria.

**Purchasing Update - January 23, 2004,
January 30, 2004, February 6, 2004**

This class will include a discussion of those procurement issues that have changed in the last two years (since the first Basic and Advanced Purchasing classes were presented).

Contact the Professional Development Center at 444-3985 or e-mail pdc01@state.mt.us for registration and cost information.

PRINT AND MAIL SERVICES NEWS AND NOTES

Accurate Mailing Addresses are Important. As we sort mail each morning, we are reminded of the importance of ensuring that mail is properly addressed. On average, two out of five mail hampers contain newspapers, catalogs and magazines--many with addresses that leave us guessing as to who is supposed to be receiving them.

Here are some addressing tips to use when registering for information to be mailed to you at a state agency. At a minimum, we need the following information to sort mail:

- Employee's name;
- Employee's Department AND Division or Office;
- The PO Box number (not the street address); and
- City, State and nine-digit Zip Code

No matter how carefully mail clerks work at sorting your mail, they can't possibly keep track of everyone's whereabouts without the information listed above.

The same addressing parameters are important when addressing deadhead envelopes. Keep in mind that each department has offices such as Personnel, Fiscal, Centralized Services, Licensing, etc. Also, some departments have multiple building locations. When addressing deadhead envelopes, the building location for agencies is a big help; i.e., Jane Doe, DPHHS, Cogswell Building.

New Requisition Form. Print Services has a new requisition form that reflects the new services we provide. These include: color photocopies, laminating, binding options, addressing and envelope inserting. To get a supply of the new requisitions, please call our office at 444-3053 and we will get them to you.

2004 Calendars. We also have the 11 X 17 inch 2004 calendars printed and ready to

supply to agencies. General Services Division supplies these calendars to agencies free of charge.

PURCHASING CARD

"Why didn't it go through?" That's a common question when purchasing card transactions are declined. While it happens very rarely, it can be frustrating. A purchasing card differs from an ordinary consumer credit card, which is devoid of purchasing controls. All transactions on a valid consumer credit card go through until the monthly credit limit is reached. However, purchasing card accounts must pass several checks before a transaction is authorized. The result is greater security and spending controls in the areas of spending limits, merchant category code exclusions, and cardholder information.

Spending limits are established via the cardholder application. The five spending levels established for each account are single purchase limit, daily purchase limit, cycle (monthly) spending limit, number of transactions per day, and number of transactions per cycle. These values may vary by cardholder and department depending on the purchasing needs of the employee or agency.

Each merchant who accepts credit cards is assigned a four-digit merchant category code by their bank, depending on the primary types of goods or services that the merchant offers. Certain merchant category codes are automatically excluded, i.e., cash advances, liquor stores, dating and escort services, etc.

Finally, when making purchases via the Internet, the shipping address and phone number provided to a merchant must match the address and phone number submitted on the cardholder application that is on file with the credit card company. In all of the instances noted above, immediate action and resolution may result by contacting your agency purchasing card coordinator and providing them with as much information as possible about the transaction. Oftentimes, the spending level or merchant category code may be corrected on the spot and the card holder can be on their way in minutes. For more information, please contact Tom Gustin at 444-3312, e-mail tgustin@state.mt.us

QUESTION OF THE QUARTER

What is the difference between a "bid" and "proposal"?

Be careful not to confuse the "jargon" by calling a request for proposal a "bid" or speaking of "bid" award when referring to a request for proposal. Agencies must be especially mindful of this when posting information on the State's One-Stop Solicitation website.

A "bid" is defined in rule as "the executed document submitted by a bidder in response to an invitation for bid." A "proposal" is the document submitted in response to a request for proposal.

A bid award is based on the "lowest" responsible and responsive bidder whereas the award for a request for proposal is made to the responsible and responsive offeror whose proposal best meets the evaluation criteria—not necessarily the "lowest" cost.

Another difference between the two is the time it takes to determine the award. A bid may be awarded quite quickly, but the award for a request for proposal may take more time and involve a process that utilizes an evaluation committee.

PEOPLESOFT UPDATE

Postponement of SABHRS 8.4 Financials Release. The rollout of the new SABHRS Financials application has been postponed until February 2004. This will allow SABHRS Services Bureau staff more time to test the processes supporting the conversion of data from the current 7.02 database to the new 8.4 database.

All enrollments for SABHRS Financials upgrade classes received and processed to-date will be cancelled. More details concerning upgrade training, including a new briefing and class schedule, will be released in early October with the registration process starting later that month. It is the SABHRS staff's intent

to begin training classes on or around January 5, 2004.

If you have any questions regarding the Financials postponement or are interested in the Procure to Pay process, please contact Bonny Belling, 444-3322 or bbelling@state.mt.us.

ON THE LEGAL FRONT

We're watching two cases that may impact the administration of the Montana Procurement Act. The first case involves the protest and subsequent contested case hearing of the Reier Broadcasting Company against Montana State University over a contract award for broadcasting rights. A hearings officer denied the Reier protest in July of 2003, but the case is now set for oral argument before MSU President Dr. Geoffrey Gamble.

The second case involves a RFP issued by the Department of Corrections in 1995 seeking proposals for a company to operate a pre-release center. The plaintiff, who had a contract to sell real estate to the offeror, alleges tortious interference with contract because the Department ultimately decided to not award a contract for this service. The case is set for a two-week jury trial in late October 2003.

THINK ABOUT IT

"The greatest results in life are usually attained by simple means and the exercise of ordinary qualities. These may for the most part be summed up in these two - common sense and perseverance."

Owen Feltham

PURCHASING USERS GROUP

The Fall meeting of the Purchasing Users Group will be Thursday, November 6, 2003, from 1 p.m. to 4 p.m. in the Public Health and Human Services Auditorium, 111 North Sanders in Helena.

ABOUT THIS NEWSLETTER

"GSD Update" is published quarterly by the General Services Division of the Montana Department of Administration. For more information, or to get on the mailing list, contact us at (406) 444-2575. Our address is: P.O. Box 200135, Helena, MT 59620-0135. Fax number: (406) 444-2529. Website address: www.discoveringmontana.com/doa/gsd.